

**REMARKS**

Presently, claims 1-11, 15-22, 24-31 and 33-44 are pending in the application. Claim 32 has been canceled. Independent claims 1, 15, 30, 35 and 37 have been amended to further clarify the claimed subject matter. Support for the amendments to the independent claims may be found, for example, in Figs. 7 – 9 and at page 16, line 32 – page 17, line 14 of the specification. Dependent claims 9, 22, 26, 33, 34, 39 and 40 have been amended to provide further clarification to and to be consistent with the independent claims. New dependent claim 44 has been added, depending from claim 40. Support for the features of dependent claim 44 may be found, for example, at in Figs. 7 – 9 and at page 16, line 32 – page 17, line 14 of the specification. Accordingly, no new matter has been added to the application by the foregoing amendments.

***Examiner Interview***

Applicants and the undersigned thank Examiner Lambrecht for the courtesies extended during a personal interview conducted on July 10, 2007, to discuss the present application and Office Action. During the interview, the prior art of record and Applicants' reasons as to why the pending claims overcome the Examiner's prior art rejections were also discussed. In addition, proposed amendments to the claims were also discussed.

As a result of the interview, the Examiner indicated that the proposed amendments and arguments with respect to the independent claims were understood and appeared to be compelling, but reserved the right to review Applicants' arguments in detail upon submission of a formal response. The amendments submitted herewith include the proposed amendments discussed with the Examiner during the interview.

***Prior Art Rejections – § 103(a)***

The Examiner has rejected claims 1-11, 15-22 and 24-43 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,002,393 to Hite *et al.* ("Hite") in view of

U.S. Patent No. 6,119,098 to Guyot *et al.* (“Guyot”). The Examiner contends that Hite teaches all elements of the claimed invention, with the exception of spacing that specifies the number of intervening advertisements between successive ads in the sequence and a trigger circuit for determining a low-level of the queue. The Examiner further contends that Guyot teaches successively placing ads in a queue for display according to a specified time interval, as well as a trigger circuit for determining if a queue of advertisements has reached a low level, and concludes that it would have been obvious to combine the teachings of Guyot with those of Hite to result in Applicants’ claimed invention. Applicants respectfully traverse this rejection.

Hite teaches a system for delivering targeted commercials to consumers’ terminals. In Hite, customers, programs and commercials are categorized using known algorithms or data from an outside source. Each consumer’s local terminal is individually addressable, and is designated as being within one or more categories. Separately, each commercial is designated as being within a particular category. When commercials are broadcast, a consumer’s local terminal uses the information associated with the consumer and the commercial to determine whether to play or ignore a particular commercial. In Hite, the commercials may be combined with programming at a transmission facility, and then sent to the consumer. Alternatively, multiple commercials may be simultaneously broadcast over multiple channels, or transmitted and stored at the local terminals in advance. In Hite, an ad queue may be stored in memory, such that lists of ads may be stored for future insertion into programs.

Hite’s system utilizes an upstream reporting feature that includes a viewer reaction feature that causes additional relevant commercials to be presented in response to a viewers’ response to questions and/or other viewer interactions. Hite also teaches a sequencing feature which keeps track of which commercials were displayed by using the upstream reporting. The upstream reporting feature also includes a Frequency feature that monitors the *number of times* an ad is displayed within a particular period.

The Examiner contends that the frequency feature of Hite, which monitors the number of times an ad is displayed, equates to a controllable predetermined spacing

within a queue (see page 2 of the Office Action). However, Applicants respectfully submit that *monitoring the number of ads displayed* within a period (i.e., the frequency of display), has absolutely nothing to do with controllable predetermined spacing between ads themselves. Monitoring *frequency of display* and/or reporting that frequency (e.g., number of ads per day) does not teach or suggest that the frequency is or could be controlled. Moreover, monitoring the frequency of ads does not teach or suggest that a sequence of commercials is arranged in a specific order and placed in a queue. That is, just because Hite's system may monitor frequency of ad display does not mean that Hite teaches *selecting the sequence* of ads themselves.

Guyot teaches a system and method of displaying targeted advertisements over a distributed network, such as the Internet. In Guyot, a queue of targeted advertisements is downloaded from a server to a client application on a user's computer. The client application continuously displays the advertisements on the user's computer in accordance with the distribution requirements (or restrictions) of the queue and other requirements (e.g., maximum number of displays per day per ad). Guyot further teaches that the user's computer may monitor user interactions with the system to determine whether the schedule of ads in the queue should be altered. For example, if a user has not interacted with the system for some given period of time, the client application will enter a "screen saver" mode and therefore display different ads than if not in a screen saver mode. When the advertisement queue reaches a low level of available ads (i.e., because some ads have expired or been displayed the requisite number or amount of times), the client application accesses the server to obtain another queue of advertisements for display.

The Examiner contends that "Guyot implements a display frequency using a specified time interval," relying on column 4, lines 64-65 of Guyot (see page 3 of the Office Action). However, similar to Hite, *monitoring the frequency of display* (e.g., looking for a maximum number per day) does not teach or suggest that the "frequency" is or could be controlled. That is, monitoring the frequency of display does not equate to displaying ads according to a specified interval, as argued by the Examiner.

Independent claim 1, as amended, recites:

In a television network system, subscriber equipment for displaying targeted advertisements to a subscriber, the subscriber equipment comprising:

a communications interface for receiving at least one queue identifying a sequence of targeted advertisements, wherein the at least one queue is selectively distributed to the subscriber and the targeted advertisements have been previously matched to the subscriber, and wherein at least one of the targeted advertisements is repeatedly placed in the queue according to a controllable predetermined spacing, the controllable predetermined spacing specifying the number of intervening advertisements between occurrences of the at least one targeted advertisement and wherein the controllable spacing predetermined is specified by an advertiser;

memory for storing the at least one queue;

a processor, responsive to the at least one queue, configured to repeatedly insert the targeted advertisements into program streams for display to the subscriber in accordance with the sequence; and

a trigger circuit for determining if the at least one queue has reached a low-level, wherein said communications interface refreshes the at least one queue in response to a low-level determination by said trigger circuit.

Even if the combination of Hite and Guyot is proper, the combination of these references as contended by the Examiner, still fails to teach or suggest all of the features of independent claim 1. More specifically, neither of the applied references teaches or suggests a communications interface that receives “at least one queue . . . wherein at least one of the targeted advertisements is repeatedly placed in the queue according to a controllable predetermined spacing, the controllable predetermined spacing specifying the number of intervening advertisements between occurrences of the at least one targeted advertisement and wherein the controllable spacing predetermined is specified by an advertiser.” Hite simply does not teach or suggest selecting or controlling intervals or spacing between selected ads. Although Hite discusses the concept of sequencing

commercials such that related commercials are presented to the viewer in an appropriate sequence relative to each other, such a concept does not suggest that these commercials are placed “according to a controllable predetermined spacing, the controllable predetermined spacing specifying the number of intervening advertisements between occurrences of the at least one targeted advertisement...,” and certainly not that an advertiser specifies the spacing, as recited in independent claim 1. Hite merely teaches keeping track of which commercials were displayed within a designated time period. Hite may teach a queue of advertisements, but Hite does not disclose that an advertisement is placed in the queue such that there are a *specified number of intervening advertisements between occurrences of that advertisement* or even a meaningful organization of advertisements.

Guyot also does not teach or suggest a system having a communications interface that receives “at least one queue . . . wherein at least one of the targeted advertisements is repeatedly placed in the queue according to a controllable predetermined spacing, the controllable predetermined spacing specifying the number of intervening advertisements between occurrences of the at least one targeted advertisement and wherein the controllable spacing predetermined is specified by an advertiser.” There is no discussion in Guyot of spacing of advertisements within a queue, nor the ability of an advertiser to select or specify such an interval or spacing. As discussed above, Guyot’s ability to monitor frequency does not mean that ads within Guyot’s queue have a specified interval between them. Since neither of the applied references teaches this feature, the combination of Hite and Guyot is also lacking at least this feature. That is, neither reference individually nor in combination teaches or suggests repeatedly inserting an ad according to a predetermined spacing, where the advertiser specifies such spacing. Accordingly, independent claim 1 is believed to be allowable over the combination of Hite and Guyot.

Furthermore, Applicants respectfully point out that the targeted advertisements in Guyot are not inserted into any type of program stream. Rather, in Guyot, the advertisements are continuously displayed to a user via a dedicated client application and have no bearing or relationship to a program stream. Thus, in Guyot there is no program

stream for targeted advertisements to be repeatedly inserted into according to the controllable predetermined spacing, as recited in independent claim 1. Accordingly, Applicants respectfully submit that the proposed combination of Hite and Guyot is improper since one skilled in the art would not look to Guyot (that doesn't even contemplate program streams) to modify Hite that is based on inserting ads into program streams.

Independent claims 15 recites “a sequence including at least two of the targeted advertisements is placed in the queue according to a controllable predetermined spacing, wherein the controllable predetermined spacing is specified by an advertiser, the controllable predetermined spacing specifying the number of intervening advertisements between one of the at least two advertisements and the successive advertisement of the at least two advertisements in the sequence...” For the same reasons discussed above with respect to independent claim 1, the combination of Hite and Guyot does not teach or suggest all features of independent claims 15. Accordingly, independent claim 15 is believed to be allowable over Hite and Guyot, taken either individually or in combination.

Independent claims 30 recites “arranging at least one queue of targeted and ordered advertisements, each of the targeted advertisements being previously matched to the subscriber, and wherein the advertiser’s advertisements are inserted in the queue according to the controllable predetermined spacing, the controllable predetermined spacing specifying the number of intervening advertisements between successive occurrences of the advertiser’s advertisements.” Independent claim 35 recites “allowing an advertiser to specify that a subset of the plurality of targeted advertisements is to be displayed to the subscriber according to a controllable predetermined spacing, the controllable predetermined spacing specifying the number of intervening advertisements between the advertisements of the subset and the subsequent advertisement of the subset.” Independent claim 37 recites “arranging at least a subset of the plurality of targeted advertisements in at least one queue, wherein a first targeted advertisement is placed a first predetermined interval from a second targeted advertisement, the first predetermined interval being the number of advertisements separating the first and

second targeted advertisements, and wherein the first predetermined interval is specified by an advertiser.” For similar reasons to those discussed above with respect to independent claim 1, the combination of Hite and Guyot does not teach or suggest all of the elements of independent claims 30, 35, and 37. Accordingly, independent claims 30, 35, and 37 are believed to be allowable over Hite in combination with Guyot.

Dependent claims 2-11, 16-22, 24-29, 31, 33, 34, 36 and 38-44 are allowable at least by their dependency on independent claims 1, 15, 30, 35, and 37, respectively. Claim 32 has been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 1-11, 15-22 and 24-43 are respectfully requested.

### *Conclusion*

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's rejection has been overcome, and that the application, including claims 1-11, 15-22, 24-31 and 33-44, is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejection and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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